



# CITY OF HAYWARD AGENDA REPORT

AGENDA DATE

7/28/98  
7/21/98

AGENDA ITEM

612

WORK SESSION ITEM

TO: Mayor and City Council  
FROM: Director of Public Works  
SUBJECT: **TRANSFER AND APPROPRIATION OF FUNDS FOR ACQUISITION OF PROPERTY AND CONSTRUCTION OF NEW FIRE STATION NO. 9 AT 24912 SECOND STREET**

## **Recommendation:**

It is recommended that the City Council approve the following:

1. Purchase of real property at 24912 Second Street (Second Street and Campus Drive) for \$400,000;
2. Transfer \$590,000 as a short-term interfund borrowing from the Worker's Compensation Fund to the Capital Improvement Fund; and
3. Appropriate \$590,000 to a new project, Fire Station No. 9 - Land Acquisition and Construction, in the Capital Improvement Fund.

## **Background/Discussion:**

The Fire Department has identified the areas of Campus Drive, Oakes Drive, Cal State Hayward, Civic Avenue, and Ward Creek Canyon to be beyond the established response time goals from the existing fire stations. Established response-time goals are to have the first responding engine take no more than five minutes to reach any part of the service area. As can be seen on the attached service area map (Exhibit A), the crossed-hatch area between Fire Station No. 5 and Fire Station No. 1 does not meet this criteria but could be served by a new Fire Station No. 9.

Staff is proposing the relocation of one of the two existing fire companies (engine and related personnel) assigned to Fire Station No. 1 (C and Main Streets) to address the needs of this area. Moving this fire company would have minimal service level impact on the downtown area because it would continue to absorb a portion of the calls for service of the Station No. 1 district and be support and back-up as it is presently. The relocation would enable the Fire Department to provide the same response time levels to this area as provided to the rest of the City. There would be no additional staffing costs, which makes this service level upgrade a practical approach.

The only costs will be the purchase of the real property, the modifications necessary to house the fire company, and the ongoing maintenance of the property.

## **Project Cost:**

The property at 24912 Second Street actually consists of three parcels totaling approximately a one-half acre, with a 1560 square foot single-family residence. The total purchase price for

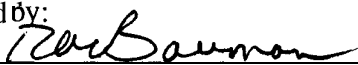
the property and residence is \$400,000. It is intended to use the existing single-family residence to house the fire company and provide necessary administrative space. Some modifications will be required to meet ADA requirements and accommodate the needs of an operating fire station. In addition, a new apparatus structure similar to but smaller than the one for Fire Station No. 7 will need to be constructed along with an emergency generator, concrete ramp, and other necessary site improvements. Total estimated cost for budget purposes is \$590,000.

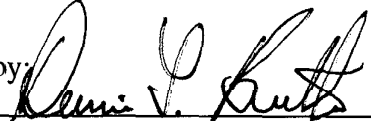
Although the new fire station would actually be located in the County, both the Planning and Building Department staffs of the County have indicated that, since it is a City-owned parcel, the County would leave processing the project up to the City. Thus, as the design proceeds, staff will hold an informational meeting to inform local City and County residents about the project, and address any concerns they may have.

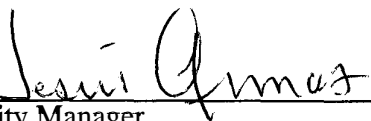
**Funding:**

Staff is recommending that funding for the project be provided by internal short-term interfund borrowing. **Interfund** borrowings are efficient and well suited to short-term borrowings for relatively small amounts. More specifically, the General Fund would borrow the funds from the Worker's Compensation Insurance Fund and then repay the borrowing over a five-year period. The funds would actually be transferred to the Capital Improvement Fund to properly track project related expenses. The interest rate that the General Fund would pay would be the City's investment earnings rate. The Worker's Compensation Fund has sufficient liquidity to make the loan and, by being paid the City's investment earnings rate, the fund would not forego any investment earnings.

With respect to terms, the borrowing would be for five years, and repaid commencing in 1999/2000. At the City's current investment earnings rate of approximately 5.8 percent, the annual principal and interest payments would average about \$137,800 per year. In addition to the transfer, an appropriation of \$590,000 from the Capital Improvement Fund to the new Fire Station No. 9 - Land Acquisition and Construction Project is recommended. It is anticipated that the new Fire Station No. 9 can be operational in early 1999.

Prepared by:   
Robert A. Bauman, Deputy Director of Public Works

Recommended by:   
Dennis L. Butler, Director of Public Works

Approved by:   
Jesus Armas, City Manager

Attachments: Exhibit A: Fire Service Area Map

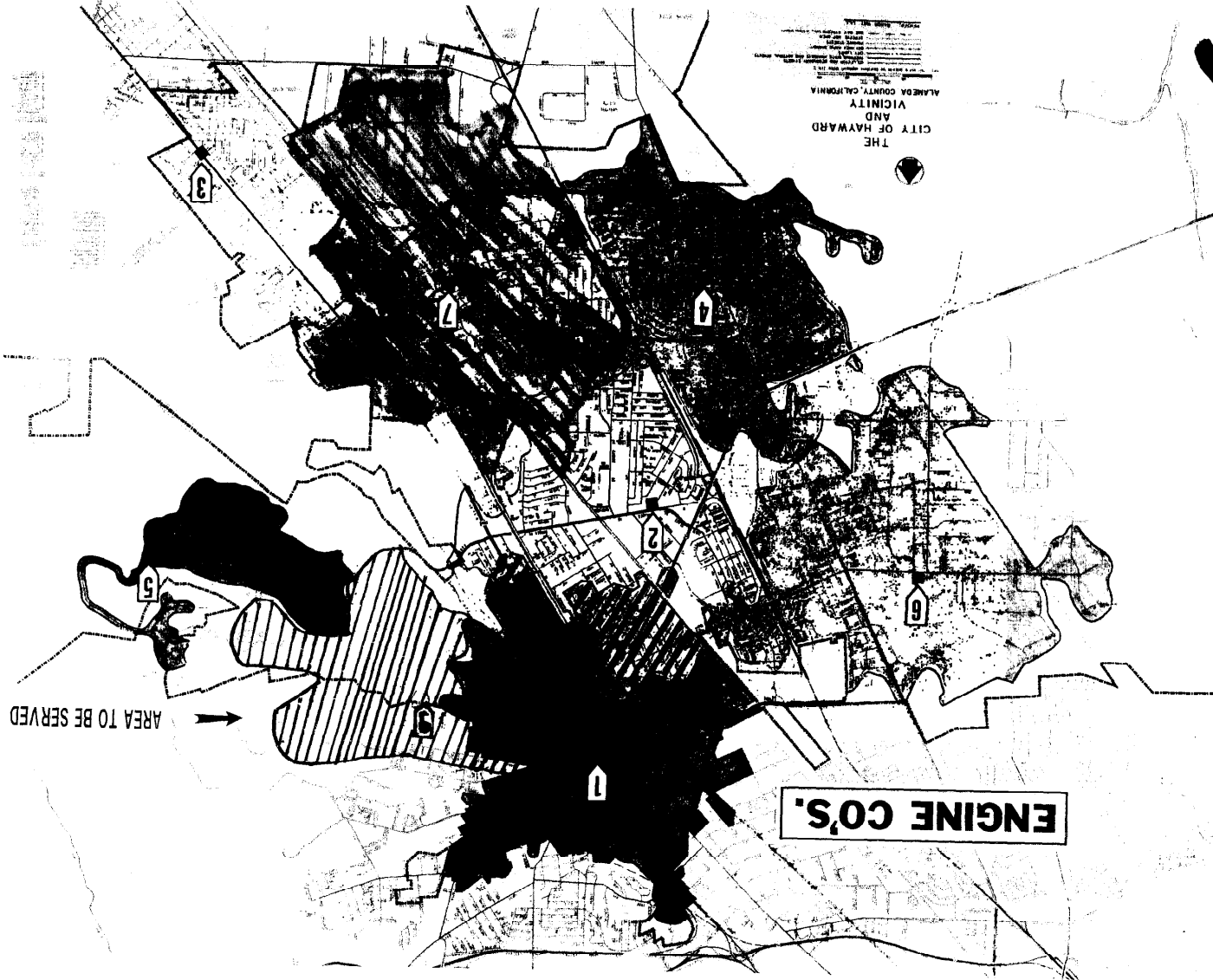


Exhibit A

HAYWARD CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION AMENDING RESOLUTION 98- 107, AS  
AMENDED, THE BUDGET RESOLUTION FOR FISCAL  
YEAR 1998-99, RELATING TO A NEW PROJECT, FIRE  
STATION NO.9 - PROPERTY ACQUISITION AND  
CONSTRUCTION, PROJECT NO 6950

BE IT RESOLVED by the City Council of the City of Hayward that  
Resolution No. 98-107, as amended, the Budget Resolution for fiscal year 1998-99, is  
hereby amended by approving a short-term **interfund** transfer of funds and appropriation  
of funds as follows:

1. A short-term **interfund** transfer of \$590,000 from the Workers  
Compensation Insurance Fund, Fund 7 10 to the Capital Improvement Fund,  
Fund 410; and
2. Appropriate \$590,000 from the Capital Improvement Fund, Fund 410, to a  
new project, Fire Station **No.9-Property** Acquisition and Construction,  
Project No. 6950,

for the purchase of real property at 24912 Second Street (Second and Campus Drive) and  
construction of a new Fire Station No. 9.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

**DRAFT** 8/17/98

RESOLUTION NO. \_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPROVING THE PURCHASE OF REAL  
PROPERTY IN CONNECTION WITH THE CONSTRUCTION  
OF FIRE STATION NO. 9

WHEREAS, The Fire Department has identified the areas of Campus Drive, Oakes Drive, Cal State Hayward, Civic Avenue and Ward Creek Canyon to be beyond the established response time goals from existing fire stations; and

WHEREAS, construction of a new fire station on property located at 24912 Second Street would address the response time needs of the area.

NOW, THEREFORE BE IT RESOLVED by the city Council of the City of Hayward that the City Council hereby authorizes the purchase of the property located at 24912 Second Street, for the amount of \$400,000, using the short-term **interfund** borrowing program described in the staff report dated for the meeting of July 21, 1998.

IN COUNCIL, HAYWARD, CALIFORNIA, \_\_\_\_\_, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward